



# **Manufacturing in Virginia**

## **SIC 26 Paper and Allied Products**



707 East Main Street, Suite 300  
P.O. Box 446  
Richmond, VA 23218-0446  
(804) 371-8200  
[www.dba.state.va.us](http://www.dba.state.va.us)

For more information contact Jay Ruehrmund at 804.371.0071 or by  
email [jruehrmund@dba.state.va.us](mailto:jruehrmund@dba.state.va.us)

## Overall Assessment

- Virginia employment increased 22 percent since 1969 versus a 7 percent decline nationally.
- Annual wage per employee is third highest in Virginia, 28 percent higher than manufacturing average.
- Virginia accounts for 2.6 percent of the national industry, a 30 percent increase since 1969.

## Employment

	Virginia		U.S.	
	Employment	Rank	Employment	Rank
1949	9,700	9	455,000	11
1969	14,000	10	711,100	11
2000	17,100	11	660,500	12

Source: U.S. Department of Labor, Bureau of Labor Statistics.

## Employment Trends

### Absolute Employment Growth

	Virginia		U.S.	
	Absolute Employment Change	Rank	Absolute Employment Change	Rank
1949-2000	+7,400	7	+205.5	6
1949-1969	+4,300	11	+256,100	5
1969-2000	+3,100	8	-50.6	9

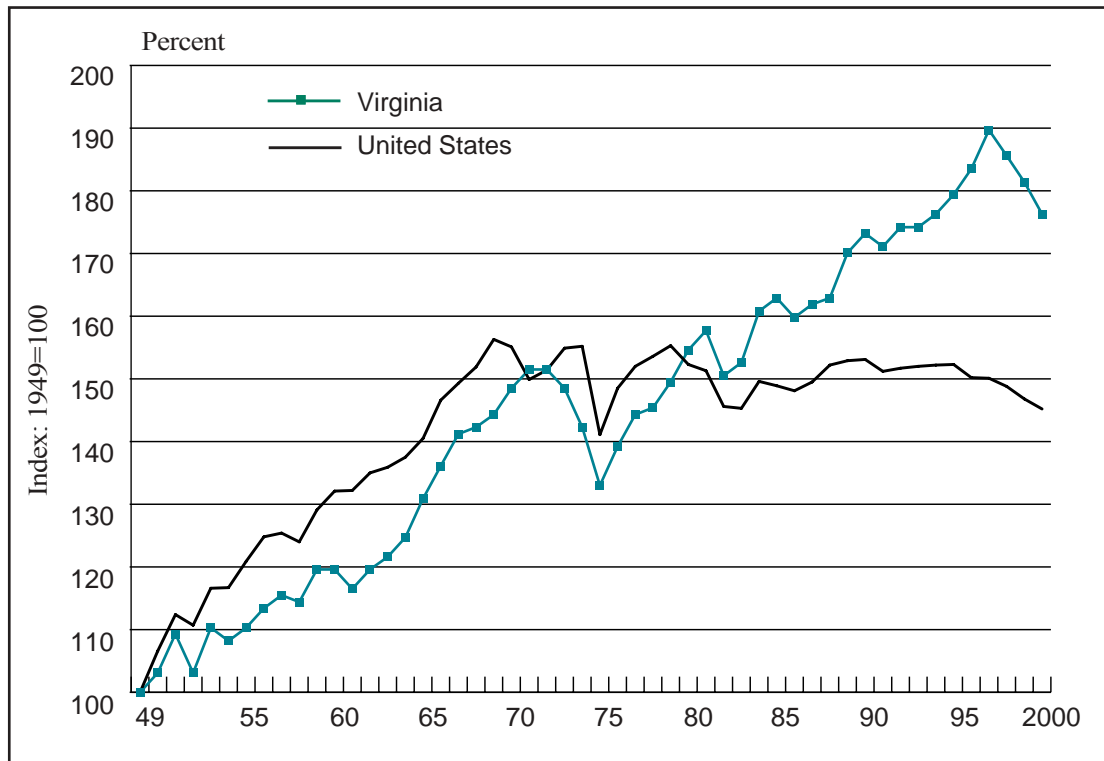
Source: U.S. Department of Labor, Bureau of Labor Statistics.

### Relative Employment Growth

Virginia Annual Average Growth Rates						
	Growth Rate 1949-2000	Rank	Growth Rate 1949-69	Rank	Growth Rate 1969-2000	Rank
Paper and Allied Products						
Virginia	1.1%	8	1.9%	9	0.6%	6
U.S.	0.7%	6	2.3%	4	-0.2%	8
Nonagricultural Employment	3.0%		3.1%		2.9%	
Manufacturing	1.1%		2.6%		0.2%	
Nondurable Goods	0.4%		2.0%		-0.6%	

Source: U.S. Department of Labor, Bureau of Labor Statistics.

### Employment Change 1949-2000



Source: U.S. Department of Labor, Bureau of Labor Statistics.

### Establishments

#### Number of Establishments

	Virginia		U.S.	
	Establishments	Rank	Establishments	Rank
Paper and Allied Products	147	15	7,575	16
Manufacturing	6,908	--	413,506	--
Paper and Allied Products as a % of Mfg.	2.1%		1.8%	

Source: U.S. Department of Labor, Bureau of Labor Statistics.

#### Employment per Establishment

	Virginia		U.S.	
	Employment	Rank	Employment	Rank
Paper and Allied Products	119	6	88	4
Manufacturing	57	--	45	--

Source: U.S. Department of Labor, Bureau of Labor Statistics.

## Payroll

### Payroll per Employee

	Virginia		U.S.	
	Payroll per Employee	Rank	Payroll per Employee	Rank
Paper and Allied Products	\$45,887	4	\$44,339	8
Manufacturing	\$35,767	- -	\$41,941	- -
Paper and Allied Products as a % of Mfg.	128.3%		105.7%	

Source: U.S. Department of Labor, Bureau of Labor Statistics.

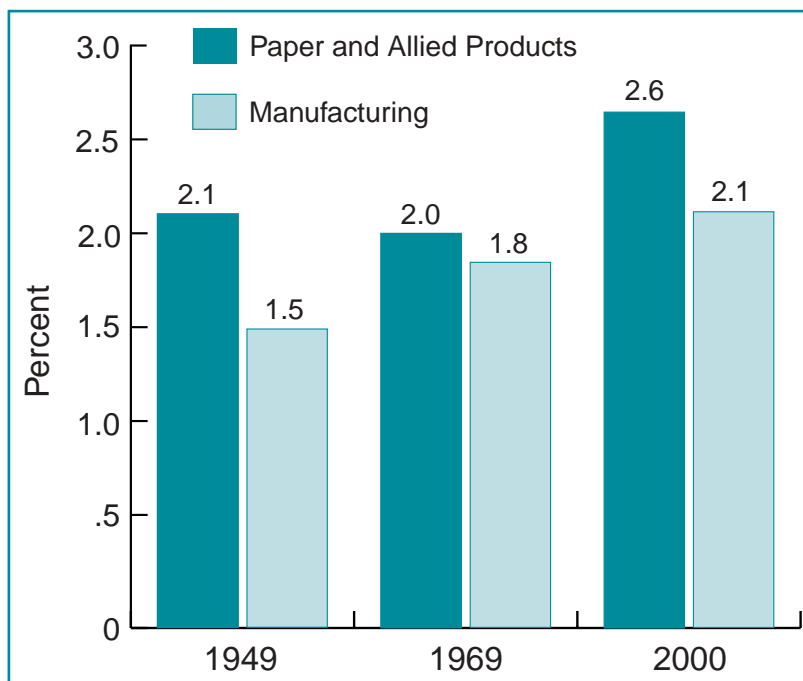
## Exports

Virginia Exports		
	Paper and Allied Products	Manufacturing
2000	\$191,175,000	\$9,395,636,000
1995	\$181,757,000	\$9,294,115,000
Export Growth, 1995-2000	5.2%	1.1%
Share of Manufactured Goods Exports, 2000	2.0%	- -

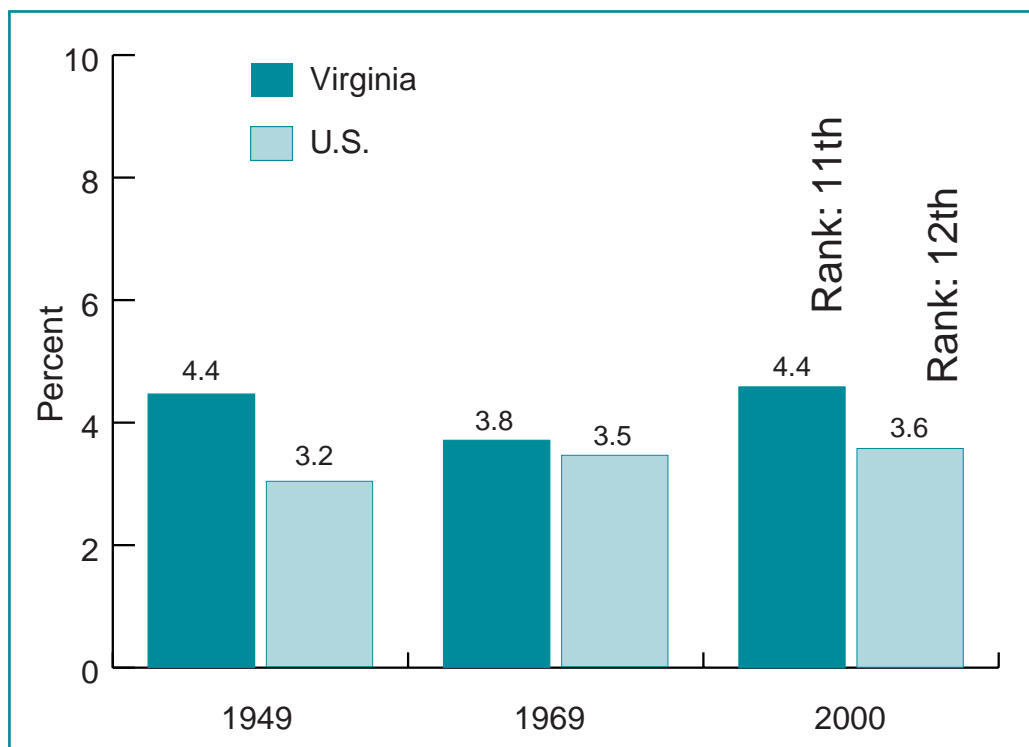
Source: U.S. Department of Commerce.

## Industry Importance

### Virginia's Share of National Paper and Allied Products Industry



Source: U.S. Department of Labor, Bureau of Labor Statistics.

**Industry's Share of Manufacturing Employment**

Source: U.S. Department of Labor, Bureau of Labor Statistics.

## Industry Trends

***Virginia employment distribution: paperboard containers and boxes (34 percent), miscellaneous converted paper products (24 percent), paper mills (22 percent), and paperboard mills (20 percent).***

- Historically, the paper industry has been very cyclical in nature. Growing demand required heavy financial investment to increase production followed by declining prices due to overcapacity. Employment in the industry fluctuated with these cycles.
- Mergers and acquisitions have played a major role in shaping Virginia's paper industry during the past five years. Facilities once owned by St. Laurent and Union Camp are now owned by Smurfit Stone and International Paper.
- The large capital investments and economies of scale required to be competitive in the pulp and paper market have driven some companies out of the industry altogether and other companies into completely different segments of the paper industry.
- The most impressive trend has been the 108 percent increase in Virginia paper product exports since 1993. Paper products represent two percent of manufacturing exports, a trend that is expected to continue.
- Imports represent just 9.0 percent of apparent domestic consumption of all paper products but 42.5 percent of pulp mill products.